

XP  inc.

Important Disclosure

IN REVIEWING THE INFORMATION CONTAINED IN THIS PRESENTATION, YOU ARE AGREEING TO ABIDE BY THE TERMS OF THIS DISCLAIMER. THIS INFORMATION IS BEING MADE AVAILABLE TO EACH RECIPIENT SOLELY FOR ITS INFORMATION AND IS SUBJECT TO AMENDMENT. This presentation is prepared by XP Inc. (the “Company,” “we” or “our”), is solely for informational purposes. This presentation does not constitute a prospectus and does not constitute an offer to sell or the solicitation of an offer to buy any securities. In addition, this document and any materials distributed in connection with this presentation are not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction.

This presentation was prepared by the Company. Neither the Company nor any of its affiliates, officers, employees or agents, make any representation or warranty, express or implied, in relation to the fairness, reasonableness, adequacy, accuracy or completeness of the information, statements or opinions, whichever their source, contained in this presentation or any oral information provided in connection herewith, or any data it generates and accept no responsibility, obligation or liability (whether direct or indirect, in contract, tort or otherwise) in relation to any of such information. The information and opinions contained in this presentation are provided as at the date of this presentation, are subject to change without notice and do not purport to contain all information that may be required to evaluate the Company. The information in this presentation is in draft form and has not been independently verified. The Company and its affiliates, officers, employees and agents expressly disclaim any and all liability which may be based on this presentation and any errors therein or omissions therefrom. Neither the Company nor any of its affiliates, officers, employees or agents makes any representation or warranty, express or implied, as to the achievement or reasonableness of future projections, management targets, estimates, prospects or returns, if any.

The information contained in this presentation does not purport to be comprehensive and has not been subject to any independent audit or review. Certain of the financial information as of and for the periods ended December 31, 2019, 2018 and 2017 has been derived from audited financial statements and all other financial information has been derived from unaudited interim financial statements. A significant portion of the information contained in this presentation is based on estimates or expectations of the Company, and there can be no assurance that these estimates or expectations are or will prove to be accurate. The Company’s internal estimates have not been verified by an external expert, and the Company cannot guarantee that a third party using different methods to assemble, analyze or compute market information and data would obtain or generate the same results.

Statements in the presentation, including those regarding the possible or assumed future or other performance of the Company or its industry or other trend projections, constitute forward-looking statements. These statements are generally identified by the use of words such as “anticipate,” “believe,” “could,” “expect,” “should,” “plan,” “intend,” “estimate” and “potential,” among others. By their nature, forward-looking statements are necessarily subject to a high degree of uncertainty and involve known and unknown risks, uncertainties, assumptions and other factors because they relate to events and depend on circumstances that will occur in the future whether or not outside the control of the Company. Such factors may cause actual results, performance or developments to differ materially from those expressed or implied by such forward-looking statements and there can be no assurance that such forward-looking statements will prove to be correct. These risks and uncertainties include factors relating to: (1) general economic, financial, political, demographic and business conditions in Brazil, as well as any other countries we may serve in the future and their impact on our business; (2) fluctuations in interest, inflation and exchange rates in Brazil and any other countries we may serve in the future; (3) competition in the financial services industry; (4) our ability to implement our business strategy; (5) our ability to adapt to the rapid pace of technological changes in the financial services industry; (6) the reliability, performance, functionality and quality of our products and services and the investment performance of investment funds managed by third parties or by our asset managers; (7) the availability of government authorizations on terms and conditions and within periods acceptable to us; (8) our ability to continue attracting and retaining new appropriately-skilled employees; (9) our capitalization and level of indebtedness; (10) the interests of our controlling shareholders; (11) changes in government regulations applicable to the financial services industry in Brazil and elsewhere; (12) our ability to compete and conduct our business in the future; (13) the success of operating initiatives, including advertising and promotional efforts and new product, service and concept development by us and our competitors; (14) changes in consumer demands regarding financial products, customer experience related to investments and technological advances, and our ability to innovate to respond to such changes; (15) changes in labor, distribution and other operating costs; (16) our compliance with, and changes to, government laws, regulations and tax matters that currently apply to us; (17) the negative impacts of the COVID-19 pandemic on global, regional and national economies and the related market volatility and protracted economic downturn; and (18) other factors that may affect our financial condition, liquidity and results of operations. Accordingly, you should not place undue reliance on forward-looking statements. The forward-looking statements included herein speak only as at the date of this presentation and the Company does not undertake any obligation to update these forward-looking statements. Past performance does not guarantee or predict future performance. Moreover, the Company and its affiliates, officers, employees and agents do not undertake any obligation to review, update or confirm expectations or estimates or to release any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of the presentation. You are cautioned not to unduly rely on such forward-looking statements when evaluating the information presented and we do not intend to update any of these forward-looking statements.

Market data and industry information used throughout this presentation are based on management’s knowledge of the industry and the good faith estimates of management. The Company also relied, to the extent available, upon management’s review of industry surveys and publications and other publicly available information prepared by a number of third party sources. All of the market data and industry information used in this presentation involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Although the Company believes that these sources are reliable, there can be no assurance as to the accuracy or completeness of this information, and the Company has not independently verified this information.

The contents hereof should not be construed as investment, legal, tax or other advice and you should consult your own advisers as to legal, business, tax and other related matters concerning an investment in the Company. The Company is not acting on your behalf and does not regard you as a customer or a client. It will not be responsible to you for providing protections afforded to clients or for advising you on the relevant transaction.

This presentation also includes certain non-GAAP financial information. We believe that such information is meaningful and useful in understanding the activities and business metrics of the Company’s operations. We also believe that these non-GAAP financial measures reflect an additional way of viewing aspects of the Company’s business that, when viewed with our International Financial Reporting Standards (“IFRS”) results, as issued by the International Accounting Standards Board, provide a more complete understanding of factors and trends affecting the Company’s business. Further, investors regularly rely on non-GAAP financial measures to assess operating performance and such measures may highlight trends in the Company’s business that may not otherwise be apparent when relying on financial measures calculated in accordance with IFRS. We also believe that certain non-GAAP financial measures are frequently used by securities analysts, investors and other interested parties in the evaluation of public companies in the Company’s industry, many of which present these measures when reporting their results. The non-GAAP financial information is presented for informational purposes and to enhance understanding of the IFRS financial statements. The non-GAAP measures should be considered in addition to results prepared in accordance with IFRS, but not as a substitute for, or superior to, IFRS results. As other companies may determine or calculate this non-GAAP financial information differently, the usefulness of these measures for comparative purposes is limited. A reconciliation of such non-GAAP financial measures to the nearest GAAP measure is included in this presentation.

For purposes of this presentation:

“Active Clients” means the total number of retail clients served through our XP Investimentos, Rico, Clear, XP Investments and XP Private (Europe) brands, with Client Assets above R\$100.00 or that have transacted at least once in the last thirty days. For purposes of calculating this metric, if a client holds an account in more than one of the aforementioned entities, such client will be counted as one “active client” for each such account. For example, if a client holds an account in each of XP Investimentos and Rico, such client will count as two “active clients” for purposes of this metric.

“Client Assets” means the market value of all client assets invested through XP’s platform, including equities, fixed income securities, mutual funds (including those managed by XP Gestão de Recursos Ltda., XP Advisory Gestão Recursos Ltda. and XP Vista Asset Management Ltda., as well as by third-party asset managers), pension funds (including those from XP Vida e Previdência S.A., as well as by third-party insurance companies), exchange traded funds, COEs (Structured Notes), REITs, and uninvested cash balances (Floating Balances), among others.

Index

01 Introduction

02 FY22 KPIs and Financials

03 Q&A

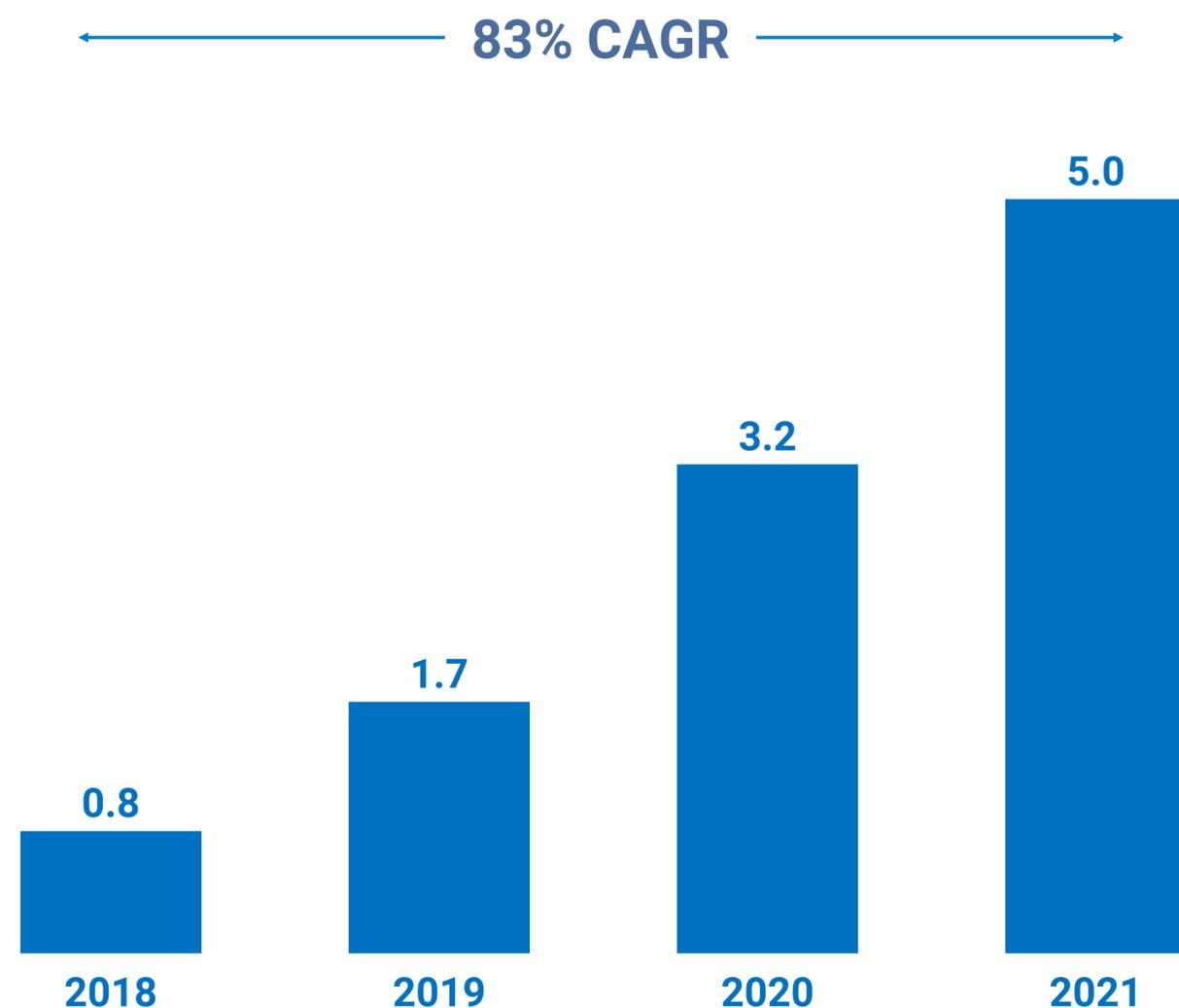


1 Introduction

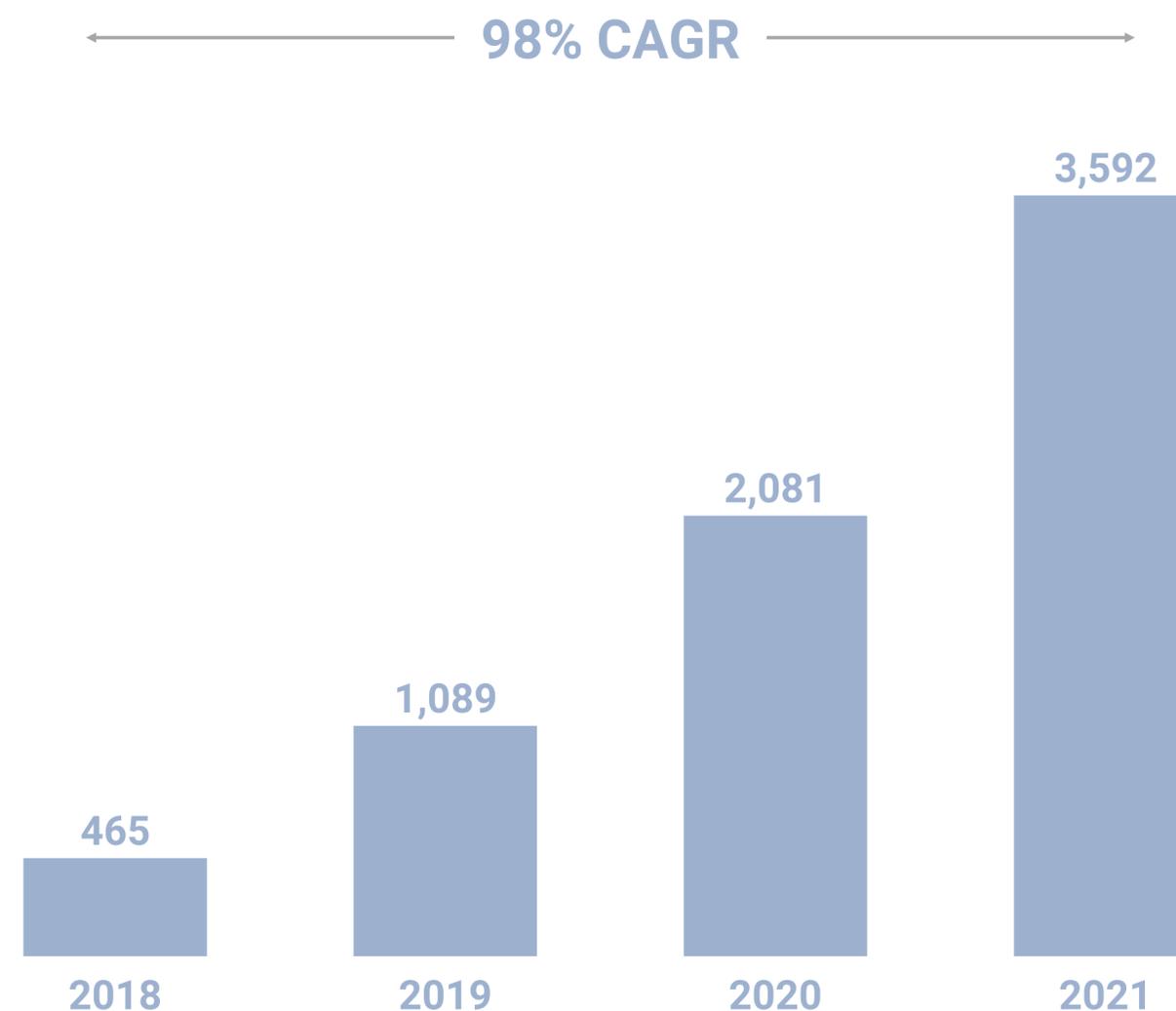
XP benefited from a positive market environment until 2021

Unique distribution channel and product platform allowed us to help millions of Brazilians to invest better

B3 Individual's Accounts (in millions)



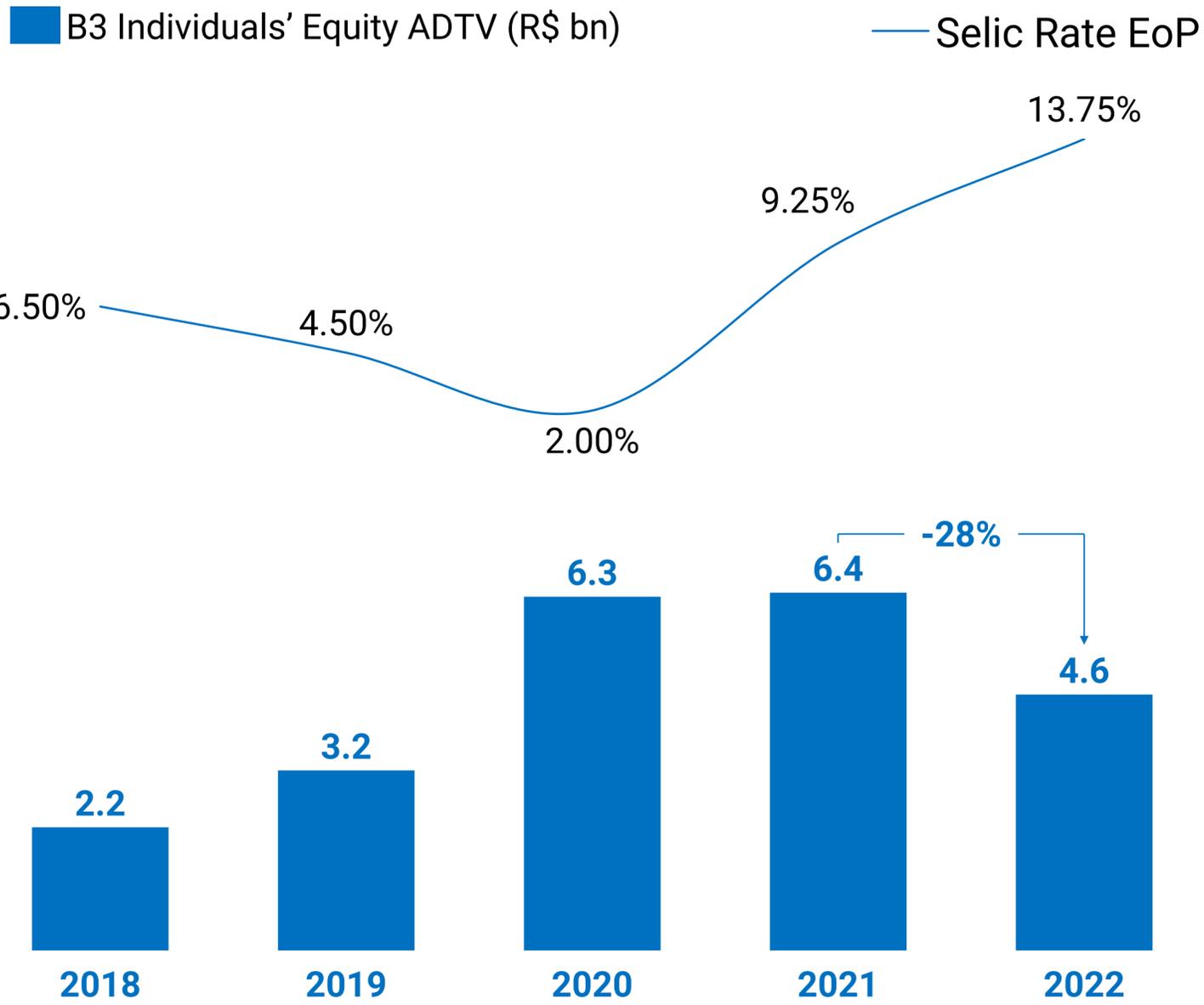
XP Inc.'s Net Income (in R\$ mn)



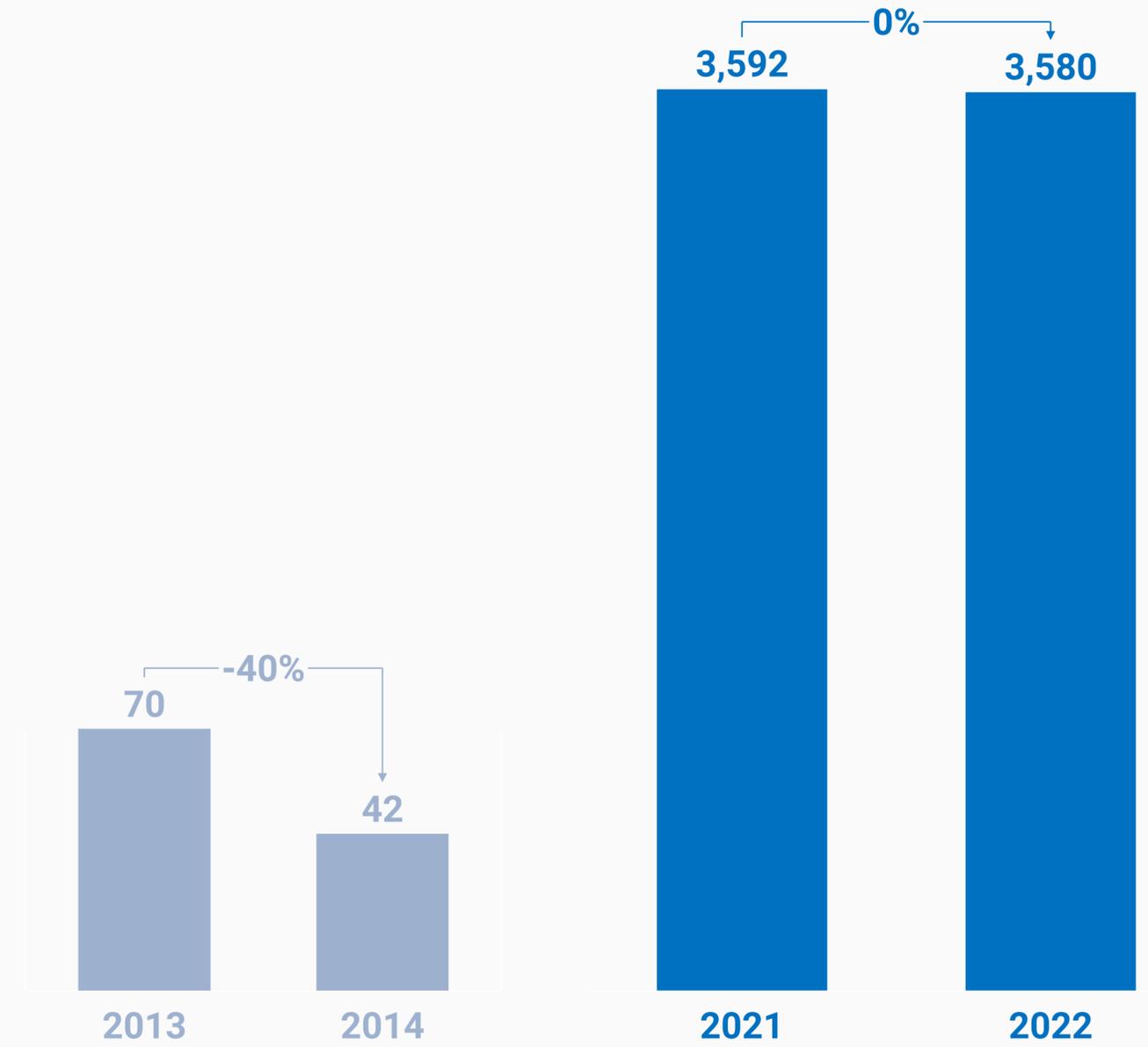
2022 posed many challenges to our business

However, our business model has become less cyclical and more resilient over the years

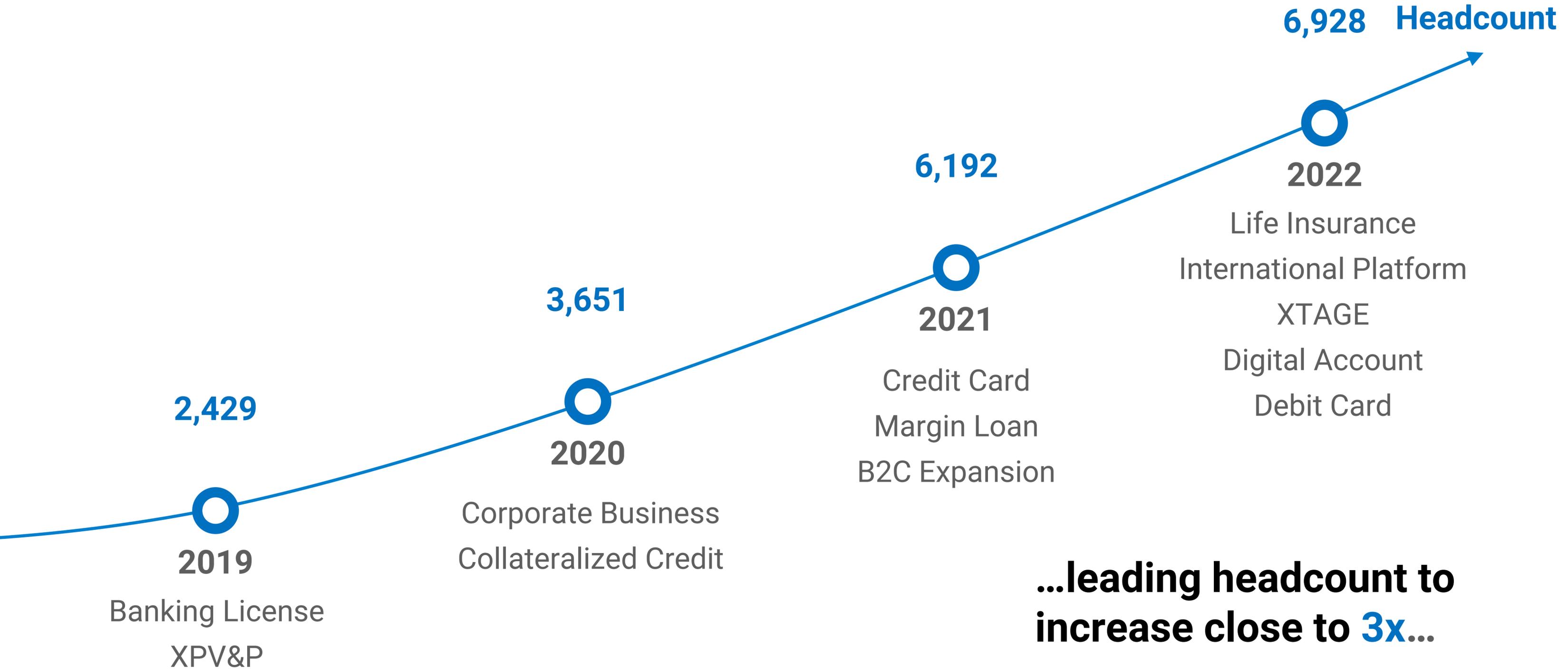
B3 Individual's Equity ADTV and Selic EoP



XP Inc.'s Net Income (in R\$ mn)



Aligned with our strategy of expanding beyond Investments, new products and services were launched



...leading headcount to increase close to 3x...

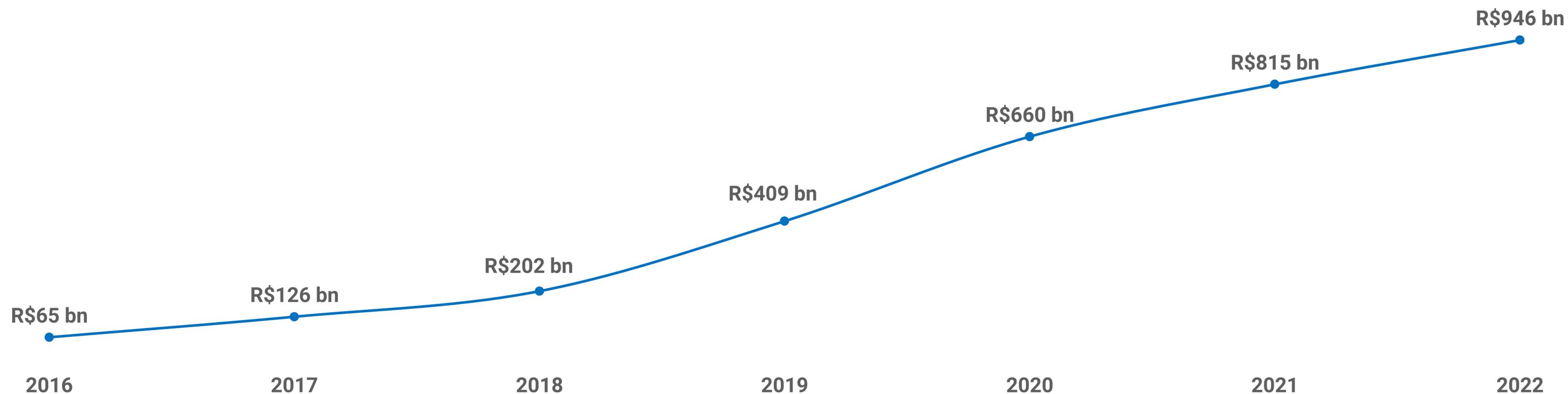
Our core business continued to evolve

+2,000
Net New IFAs
Would be Brazil's 3rd largest network

R\$ 155 Billion
Net Inflow

+460k
Net New Clients

Client Assets



Cross-Sell

Large, in-house opportunity

Penetration in Active Clients

16%

Credit Cards

10%

Digital Account

5%

Retirement Plans

<1%

Credit

<1%

Insurance

<1%

International Investments

New verticals are less cyclical than investments and **enhance clients' lifetime value**

Untapped potential: relationship with clients improve as more products are adopted

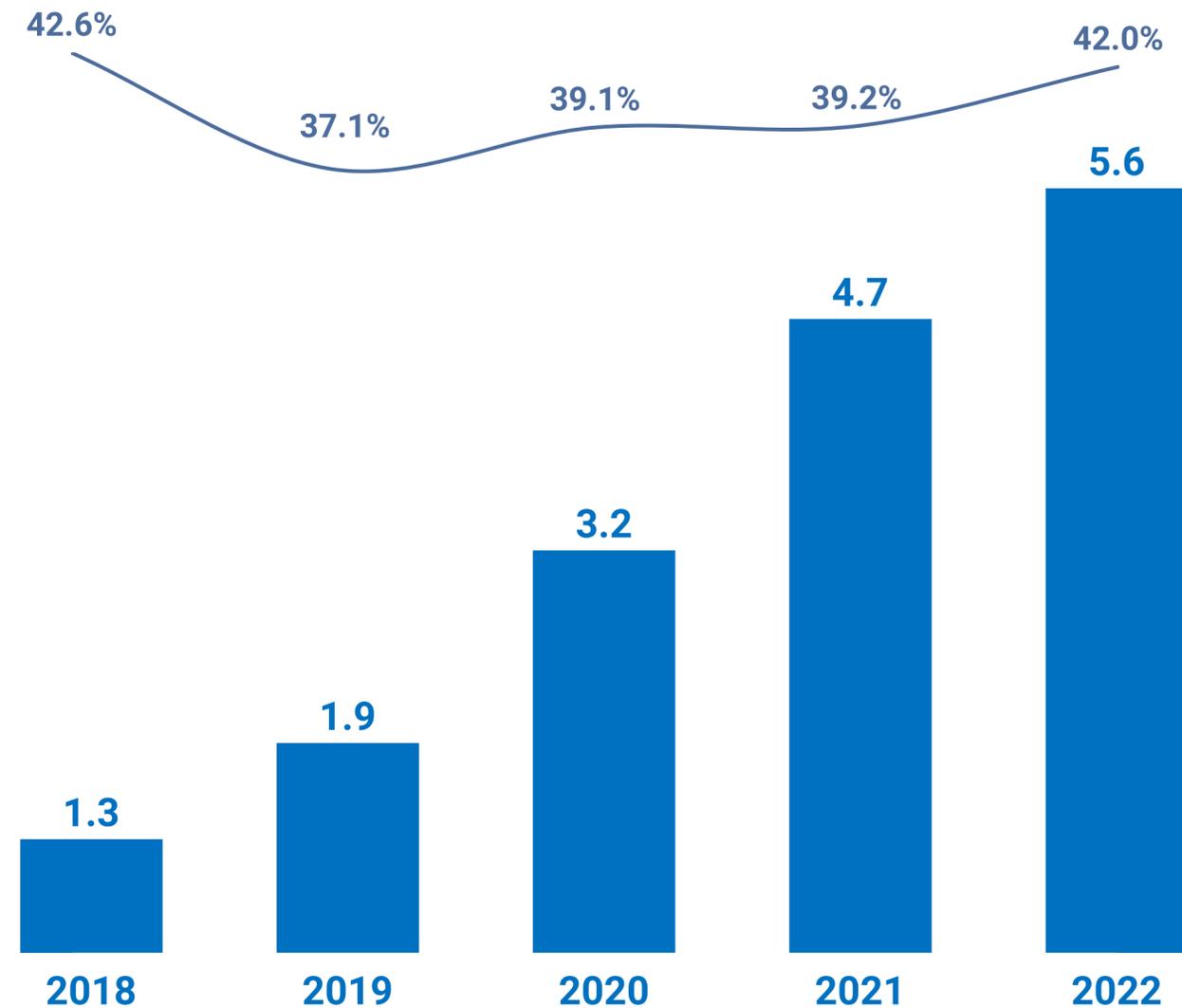
Credit Card, the highest penetration within the new verticals, has only **16%**

SG&A Expenses

Corporate transformation process allowed for resource optimization and increased efficiency

Total SG&A (in R\$ bn)¹

— SG&A¹ Expense Ratio (SG&A¹/Net Revenue)



Adjustments to cost structure with **no impact** on service level nor strategic plan

Leaner and sustainable cost structure from 2023 onwards

2023 GUIDANCE

SG&A¹ between **R\$5.0 - 5.5 billion** vs *FY22 SG&A¹ of R\$5.6 billion*

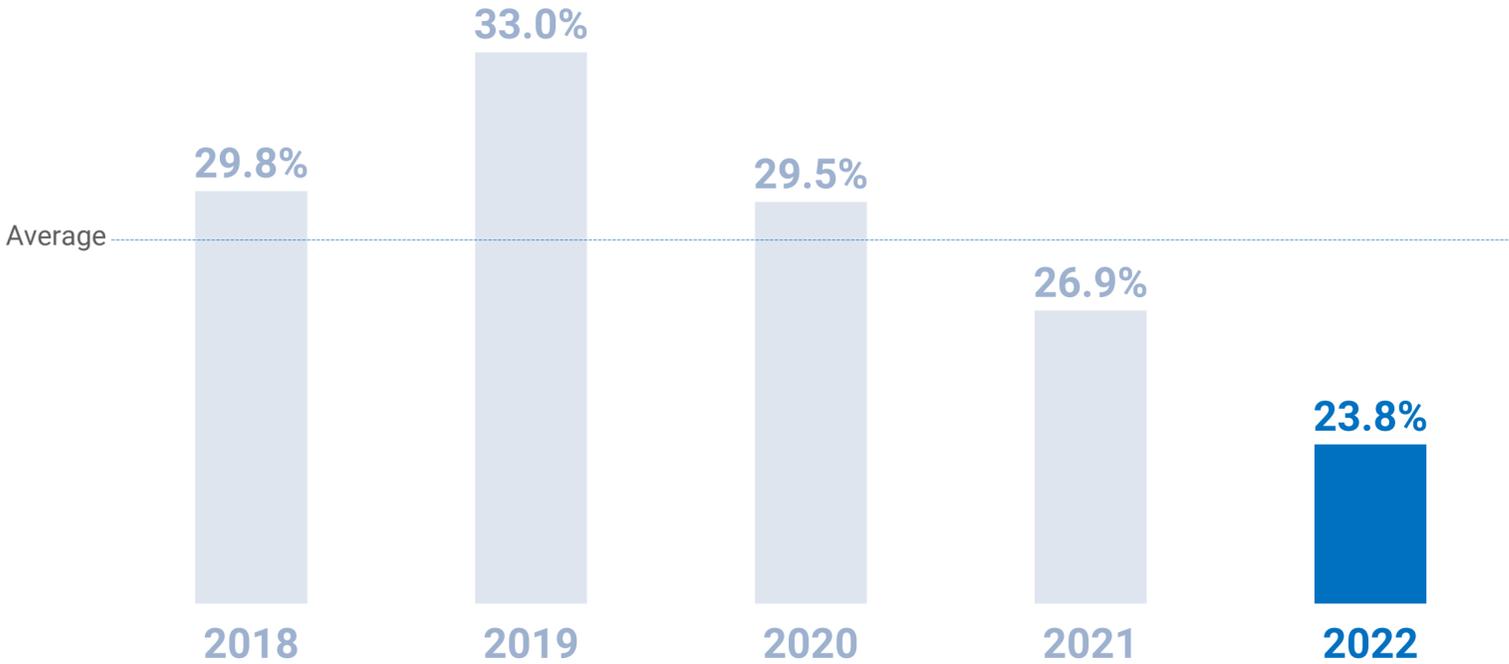
Note 1 – Excludes Revenue from incentives from Tesouro Direto, B3 and Others.

A large blue graphic element on the left side of the slide, consisting of a dark blue triangle at the bottom left and a lighter blue triangle at the top left, meeting at a diagonal line.

2 **FY22 KPIs and Financials**

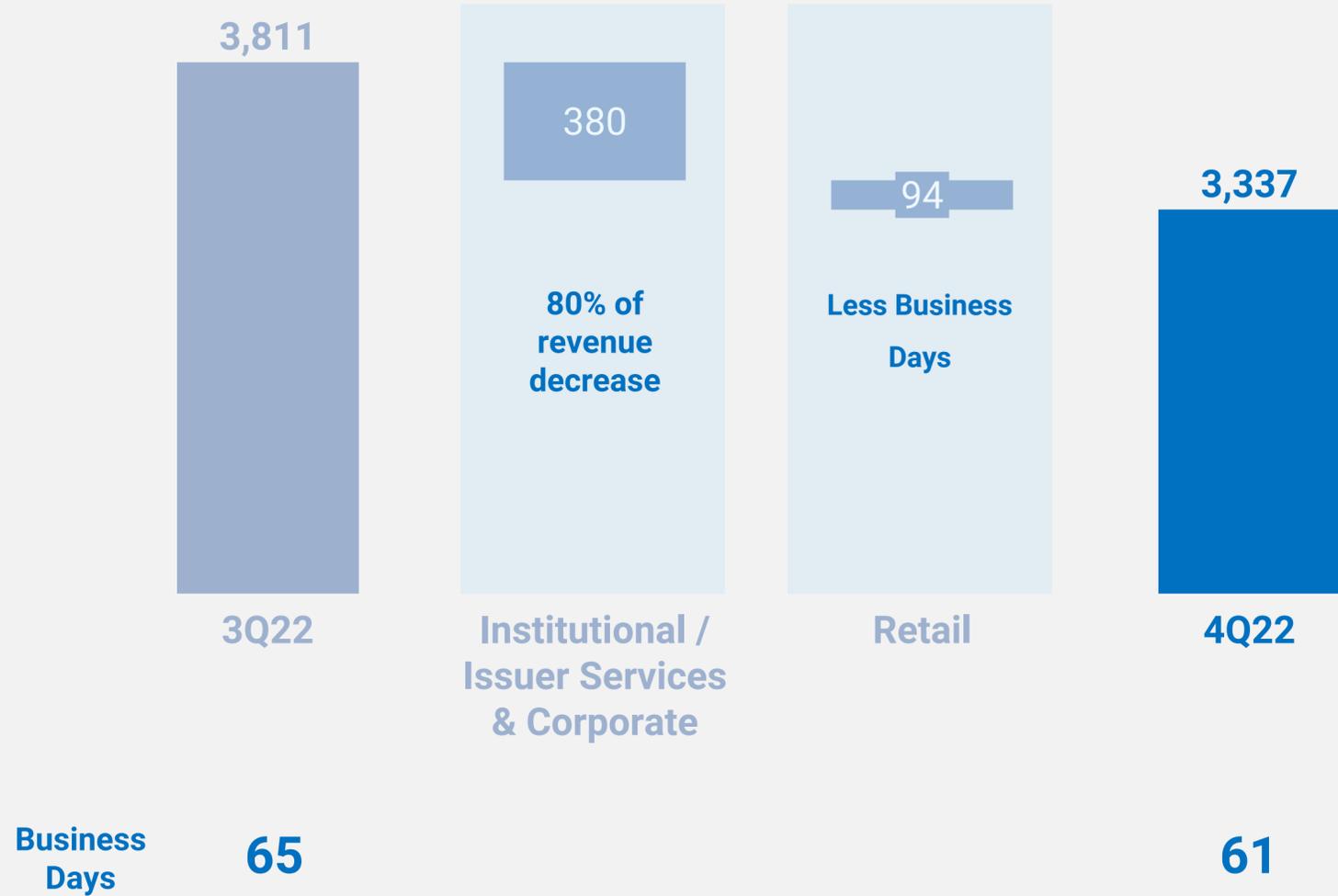
Gross Revenue

Q4 seasonality in annual revenue



- 4Q usually benefits from performance fees and a more active capital market;
- In 2022, polarized Brazilian elections and the World Cup broke this historical pattern

Gross Revenue Bridge QoQ (in R\$m)



Gross Revenue

(in R\$ mn)	2022	2021	Δ YoY
Gross Revenue	14,036	12,799	+10%
Retail	10,157	9,793	+4%
Institutional	1,919	1,277	+50%
Corporate	596	170	+250%
Issuer Services	699	1,043	-33%
Other	666	516	+29%

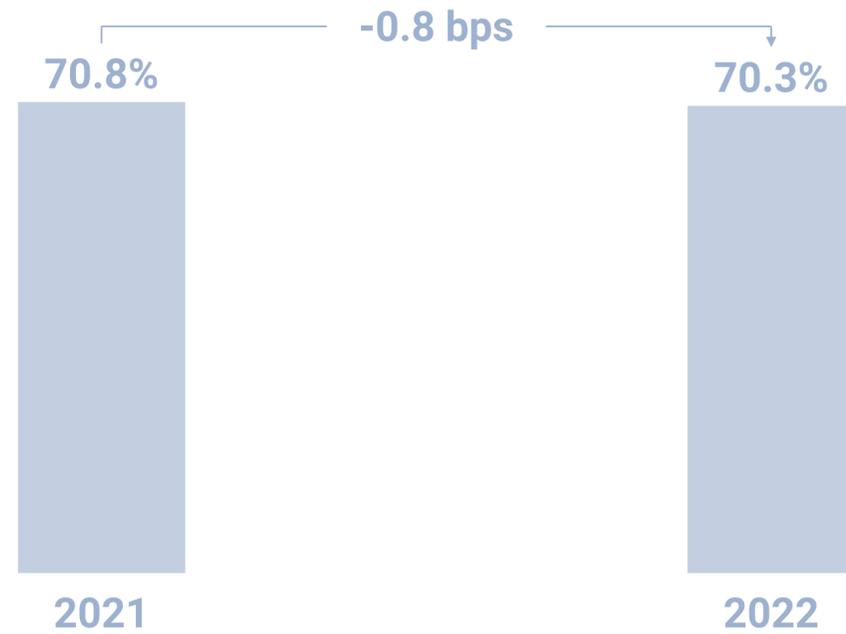
Highlights

- After a very strong 2021, gross revenue expanded 10% YoY, reinforcing XP's resilience.

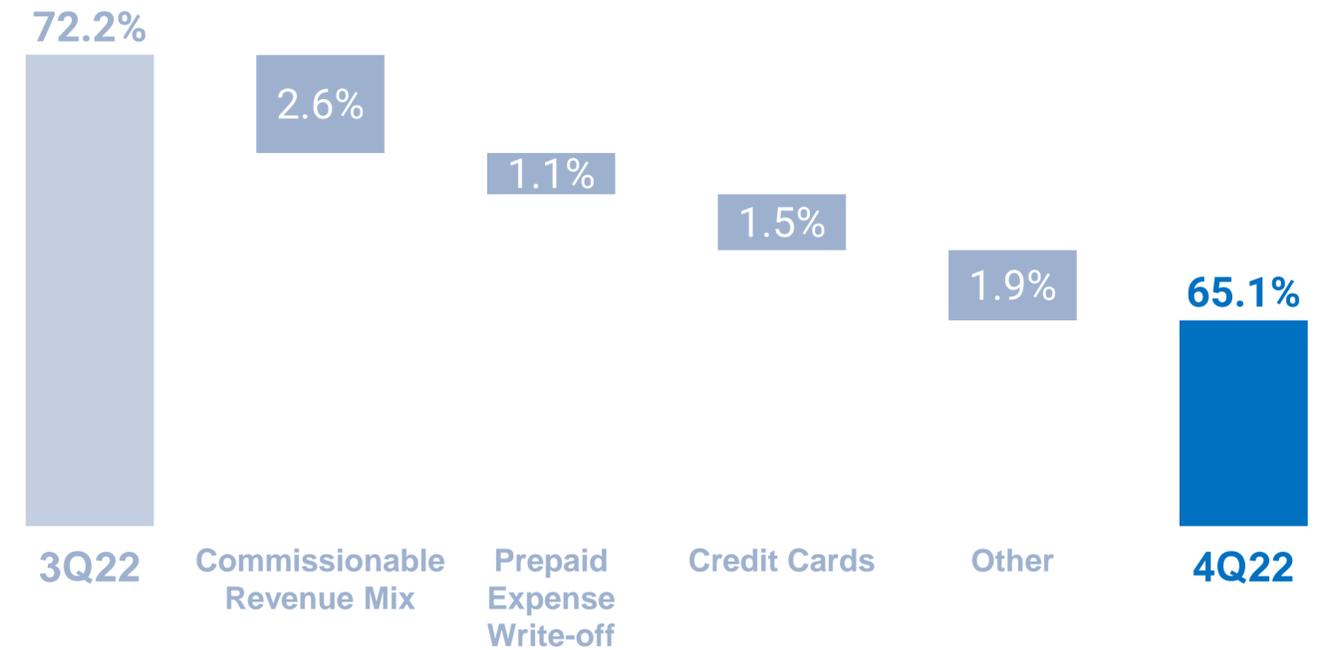
(in R\$ mn)	2022	2021	Δ YoY
Retail	10,157	9,793	+4%
Equities	4,276	5,390	-21%
Fixed Income	1,886	1,619	+17%
Funds Platform	1,259	1,300	-3%
Retirement Plans	333	227	+47%
Cards	593	180	+229%
Credit	160	104	+54%
Insurance	97	60	+62%
Other	1,553	914	+70%

Gross Margin

Gross Margin YoY



Gross Margin Bridge QoQ



Highlights

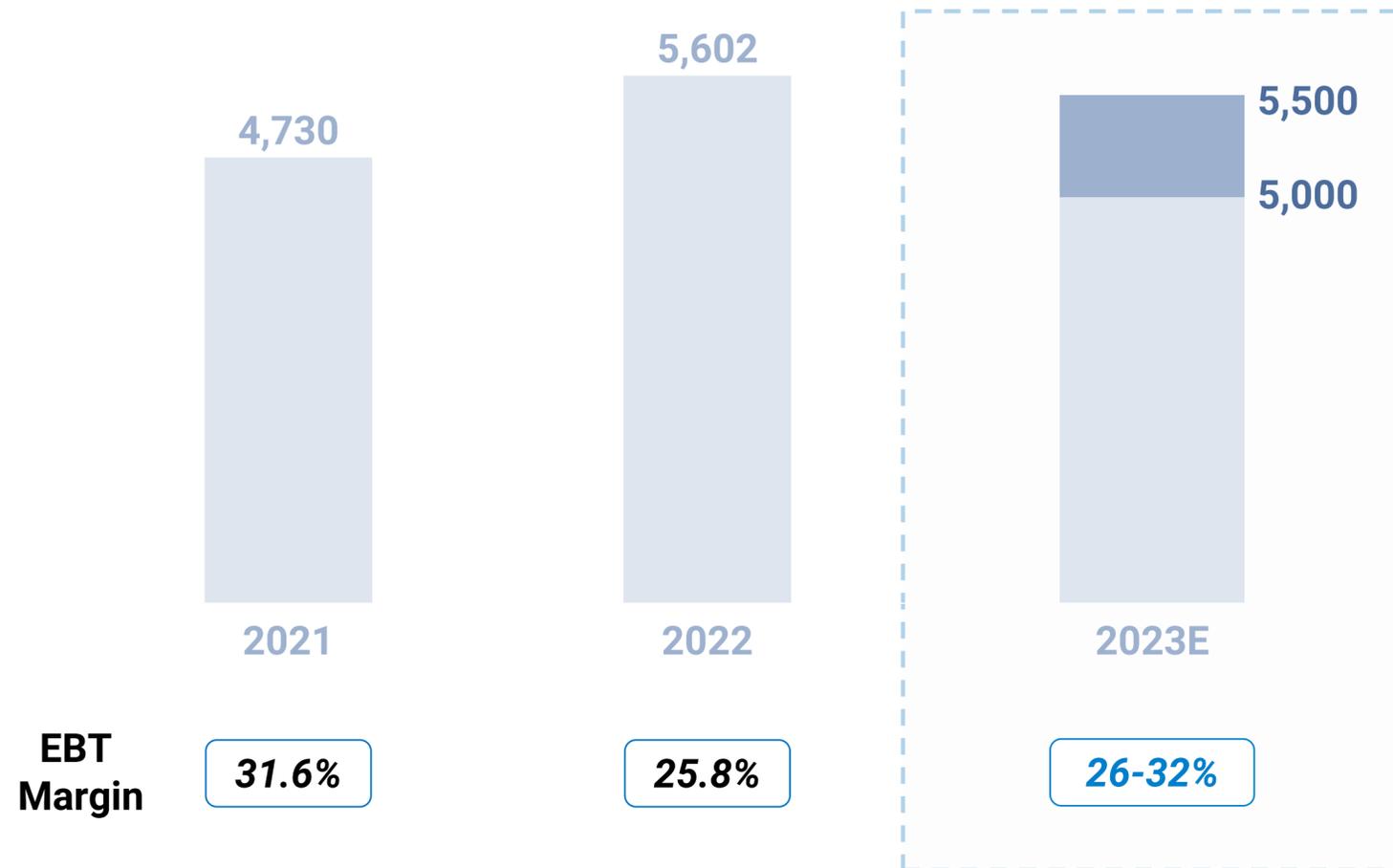
- Despite possible quarterly volatility, Gross Margin for 2023 is expected to be in line with 2021 and 2022.

Highlights

- Gross Margin compression mainly led by items that are expected to normalize going forward.

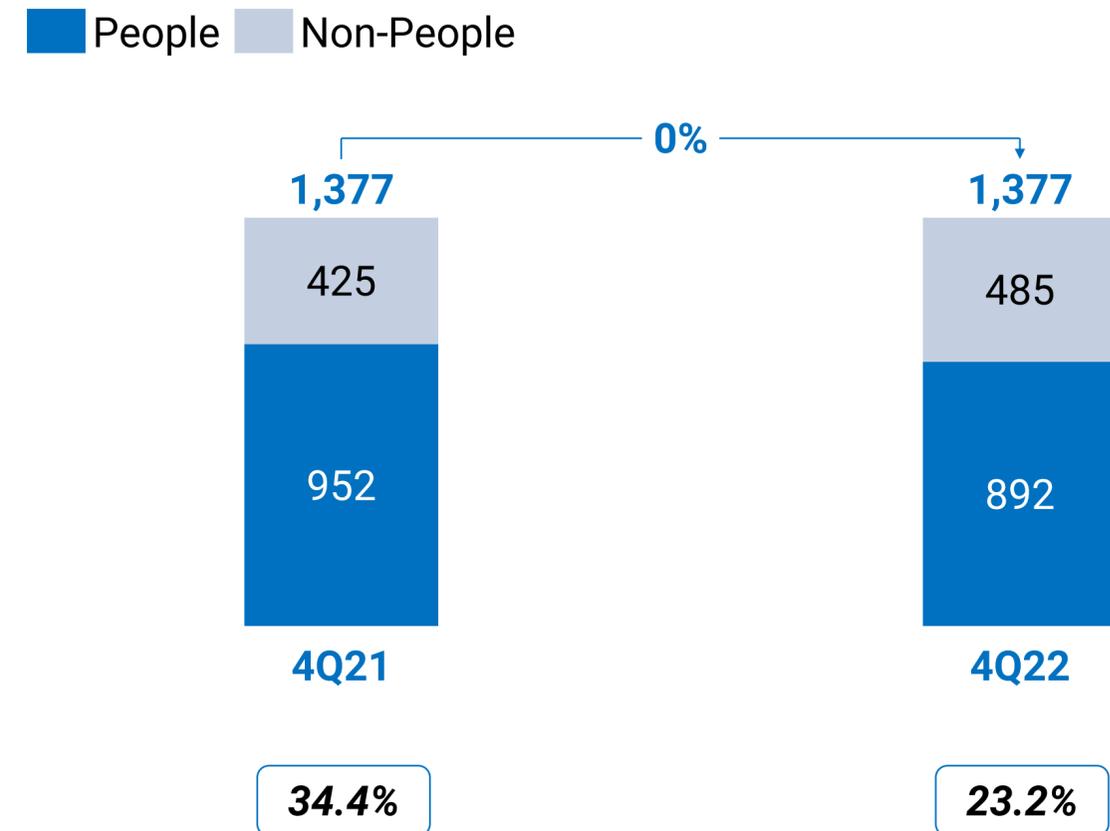
SG&A Expenses

Total SG&A Expenses¹ (in R\$ mn)



Highlights

- SG&A¹ expenses estimated between R\$5.0 billion and R\$5.5 billion in 2023, versus R\$5.6 billion in 2022.

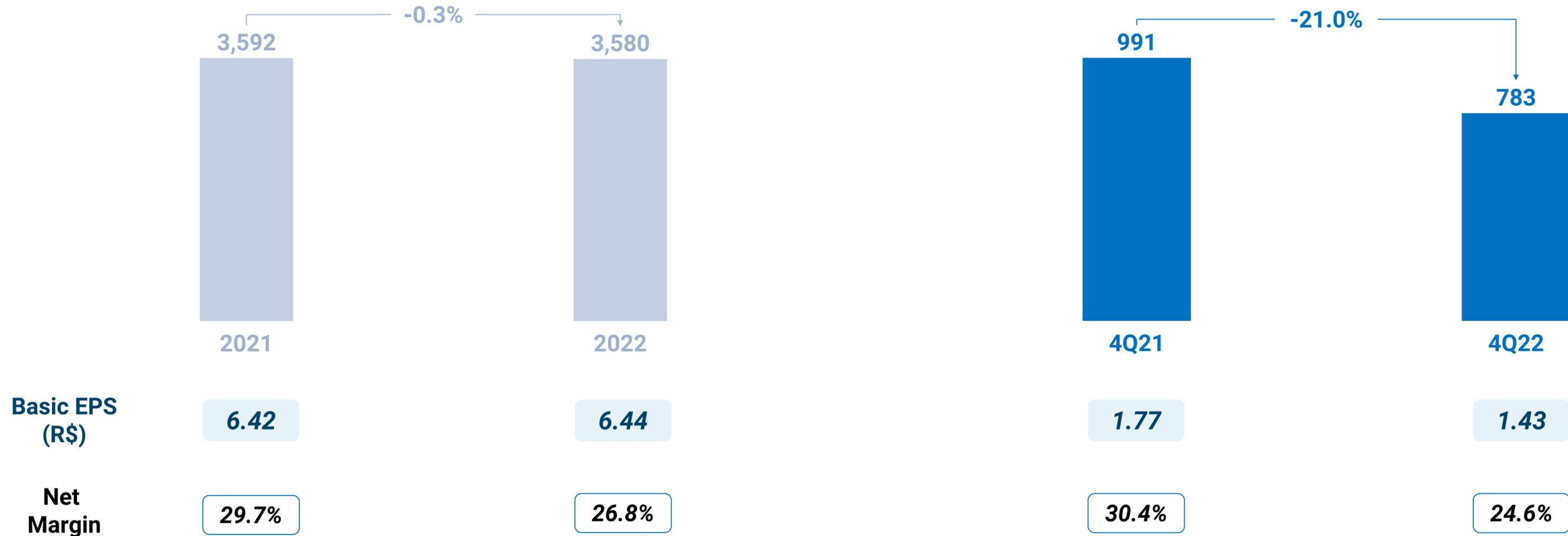


Highlights

- SG&A¹ expenses were flat YoY and fell 8% QoQ reflecting the ongoing adjustment of our cost structure.

Net Income and EPS

Net Income (in R\$ mn)



Highlights

- Basic EPS grew marginally YoY, while Net Income remained stable.

Highlights

- Basic EPS fell 19% YoY, while Net Income fell 21% YoY, to R\$783 million.

Key messages

- 1 Expenses:** Leaner and sustainable cost structure, leading to a higher operational leverage in the future
- 2 Cross-sell:** Large in-house opportunity to increase penetration of new verticals in 2023
- 3 Resilience and Adaptability:** Cycles change constantly, we are building a company
- 4 2023 Guidance:** Net Income from **R\$3.8 to 4.4 billion** and SG&A¹ from **R\$5.0 to 5.5 billion**



Q&A

The logo for XP Inc. is centered on a black rectangular background. It features the letters "XP" in a bold, white, sans-serif font. A blue parallelogram shape is positioned behind the "P" and extends to the right, partially overlapping the "Inc." text. The word "Inc." is also in a bold, white, sans-serif font, with a period at the end.

XP Inc.

Investor Relations

ir@xpi.com.br

<https://investors.xpinc.com/>



Appendix

Non-GAAP Financial Information

Adjusted Assets (from the factors listed below) reflects our business more realistically

Simplified Balance Sheet (in R\$ mn)

Assets	[A]	[B] Retirement Plans	[C] Float	Adjusted Assets [A-B-C]
Total	192,035	45,734	16,063	130,238
Securities - Fair Value through P&L	87,513	45,734	-	41,779
Securities - Repos	7,604	-	-	7,604
Securities - Fair Value through OCI	34,479	-	12,792	21,687
Securities - Trading & Intermediation	3,271	-	3,271	-
Other Financial Instruments	18,489	-	-	18,489
Other Assets	40,679	-	-	40,679

Liabilities + Equity	[A]	[B] Retirement Plans	[C] Float	Adjusted Assets [A-B-C]
Total	192,035	45,734	16,063	130,238
Securities - Repos	31,790	-	-	31,790
Other Finan. Liab.	22,135	-	-	22,135
Pension Funds	45,734	45,734	-	-
Securities - Trading & Intermediation	16,063	-	16,063	-
Other Liabilities & Equity	76,314	-	-	76,314

Key factors inflating our balance sheet

[B] Retirement Plans

- AUM from XP Vida & Previdência is accounted in both assets and liabilities

[C] Float

- Uninvested cash from clients allocated in sovereign bonds

Net Asset Value

(in R\$ mn)

	4Q22	3Q22
Financial Assets	177,761	171,130
Securities & Derivatives	140,481	137,455
Loans	22,211	20,411
Repos	7,604	8,047
Other	7,465	5,216
(-) Financial Liabilities	(146,194)	(140,597)
(-) Retirement Plans Liabilities	(45,734)	(42,714)
(-) Market Funding Operations	(38,094)	(35,818)
(-) Repos	(31,790)	(31,429)
(-) Securities & Derivatives	(22,135)	(24,145)
(-) Other	(8,442)	(6,490)
(-) Float	(12,792)	(11,391)
(=) Adjusted Gross Financial Assets	18,775	19,142

Net Asset Value	4Q22	3Q22
(=) Adjusted Gross Financial Assets	18,775	19,142
Gross Debt	(9,389)	(9,298)
(-) Borrowings	(1,866)	(1,901)
(-) Debentures	(2,029)	(1,956)
(-) Structured financing	(1,934)	(1,798)
(-) Bonds	(3,561)	(3,642)
(=) Net Asset Value	9,385	9,844

$$\text{NAV} = \text{Adj. Gross Financial Assets} - \text{Gross Debt}$$

XP  inc.